GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2888
ANSWERED ON:02.12.2016
Devaluation of Rupee to Boost Exports
Suman Shri Balka

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to devalue rupee to boost exports; and

(b) if so, the details thereof and the action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) & (b) The exchange rate policy of the RBI is aimed at managing excessive volatility and maintaining orderly conditions without having any fixed target or band for the exchange rate. The appreciation and depreciation of the rupee against the US dollar and some major currencies is given in table below:

Appreciation (+)/Depreciation (-) of Indian Rupee
against major currencies (per cent)

	US Dollar	Pound Sterling	Euro	Japanese Yen
2013-14	-10.08	-10.74	-13.69	9.01
2014-15	-1.04	-2.30	4.71	8.20
2015-16	-6.61	-0.15	7.24	2.26
2016-17 (Apr.-Oct.)	-3.82	9.36	-4.55	-16.95

Source: Reserve Bank of India

India's exports were affected due to global slowdown since 2010. Recently exports are showing signs of revival with positive growths of 4.0 per cent and 9.6 per cent in September 2016 and October 2016 respectively. During 2016-17 (April-October), India's exports declined marginally by 0.2 per cent and the exchange rate of the rupee against the US dollar depreciated by 3.8 per cent.
The exchange rate of the rupee is by and large market determined. The Government and the RBI are closely monitoring the emerging external situation including exchange rate of the rupee in nominal and real terms and calibrating policies on an on-going basis to support robust macroeconomic outcomes.
*****